

Congress of the United States
Washington, DC 20515

October 10, 2019

President Donald J. Trump
President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President,

We write to bring to your attention a matter of urgent importance to U.S. jobs, national security, foreign policy interests, and the nation's energy economy.

We fully support the use of executive authority to place pressure on the Maduro regime and reestablish democracy in Venezuela. Removing one of Venezuela's most important assets, Citgo, from the control of the Maduro regime ensured the company would be controlled by the Venezuelan National Assembly and the government of Juan Guaidó for the benefit of the people of Venezuela. Although Citgo is an American company employing thousands across the United States, its future stability will play a key role in the rebuilding of Venezuela once democracy is restored.

Prior to actions to remove Citgo from Maduro's control, the Administration took steps to place pressure on the Maduro regime by providing a special license (General License 5) specific to bonds issued by Petroleos de Venezuela SA (PDVSA 2020). At the time General License 5 was issued, important financial pressure was placed on Maduro to make the bond payments or risk losing control of Citgo, which was used as collateral on the bonds.

On October 28, the PDVSA 2020 bond requires a \$915 million payment from the Maduro regime. Complicating matters, the Maduro regime also used Citgo as collateral on a loan it received from the Russian state-owned oil company Rosneft. Stakeholders have told us a default on the PDVSA 2020 bonds will result in a cross-default on the Rosneft loan. The potential for Rosneft to have any control of a U.S. company poses a major threat and exposes critical infrastructure to national security threats. In addition, PDVSA 2020 bondholders will also attempt to seize control of Citgo with the company likely broken into pieces, the assets sold separately, and the employment futures of thousands of Americans placed in immediate uncertainty.

Since control of Citgo has been transferred to the government of Juan Guaidó, we are concerned that Maduro has no incentive to make additional bond payments and may gain political benefit by defaulting on the bonds, claiming Juan Guaidó is responsible for the loss of Citgo.

These outcomes and likely legal challenges would generate considerable instability, negatively impact the company's operation and threaten thousands of American jobs and families. Further, in the event of an asset sale, the company would be left without the means to pay its pension obligations to retirees which could also impact federal taxpayers through the Pension Benefit Guaranty Corporation.

The impact from a default would be felt acutely along the Gulf Coast. For decades, Citgo has been part of the United States' energy industry operating three highly-complex refineries in Louisiana, Illinois, and Texas with a capacity of nearly 750,000 barrels-per-day (bpd) as well as products terminals and several miles of pipeline. The company employs more than 3,500 full-time workers and approximately 1,800 contractors. With its 4,900 independently owned retail stations, Citgo also contributes to the employment of thousands of state residents across the country.

Legitimate claimants against the Maduro regime should be made whole, but the burden of the claims should be entirely carried by the Maduro regime or by a democratically elected successor in Venezuela. We urge the Administration to take all necessary steps to protect Citgo employees and retirees from any exposure that may result from a default.

Thank you for your attention to this issue, and we look forward to your reply.

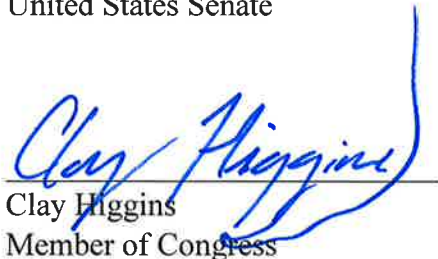
Sincerely,



Bill Cassidy, M.D.
United States Senate



Ted Cruz
United States Senate



Clay Higgins
Member of Congress



John Kennedy
United States Senate



Marco Rubio
United States Senate



Ralph Abraham, M.D.
Member of Congress



Lizzie Fletcher
Member of Congress

CC: Steven Mnuchin, Secretary of the Treasury
Michael Pompeo, Secretary of State